

REPORT OF THE COMMITTEE ON ZONING AND HOUSING

Voting Members:

Kymberly Marcos Pine, Chair; Carol Fukunaga, Vice-Chair;
Ikaika Anderson, Michael Formby, Ron Menor, Heidi Tsuneyoshi

Committee Meeting Held
March 28, 2019

Honorable Ann H. Kobayashi
Interim Chair, City Council
City and County of Honolulu

Madam Chair:

Your Committee on Zoning and Housing, to which was referred Resolution 19-67 entitled:

**"RESOLUTION APPROVING AN EXTENSION FOR OBTAINING A
DEVELOPMENT PERMIT FOR THE PROPOSED PLANNED
DEVELOPMENT-RESORT PROJECT LOCATED IN THE WAIKIKI
SPECIAL DISTRICT,"**

transmitted by Departmental Communication 184 (2019), dated March 14, 2019, from the Department of Planning and Permitting ("DPP"), and introduced on March 18, 2019, reports as follows:

The purpose of Resolution 19-67 is to amend Resolution 16-52, CD1, FD1, to extend the deadline to obtain a building permit to April 20, 2020, for a Planned Development-Resort ("PD-R") to redevelop 1.05 acres of land in Waikiki with a mixed use retail, hotel, and residential project (the "Project") requested by Hilton Resorts Corporation (the "Applicant").

The Acting DPP Director testified in support of the extension of time, noting that the Applicant is very close to obtaining a building permit for the Project, and the Applicant requested the extension of time as a precautionary measure.

Representatives of the Applicant testified in support of the extension of time.

CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON

APR 17 2019

COMMITTEE REPORT NO. **100**

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Your Committee has prepared a CD1 version of the Resolution that makes the following amendments:

- A. Amends the title to provide that the Resolution approves an extension of time to obtain a building permit for a proposed PD-R project conceptually approved by Resolution 16-52, CD1, FD1.
- B. In the first WHEREAS clause, adds the file number for the special district permit issued for the Project by the DPP.
- C. Replaces the second WHEREAS clause to detail the condition in Resolution 16-52, CD1, FD1 that required the Project to receive a building permit within two years after the effective date of Resolution 16-52, CD1, FD1, and the procedures to obtain an extension of this period.
- D. Adds a fifth WHEREAS clause to detail the minor modifications to the Project, and provide that the Applicant plans to obtain the DPP Director's approval of these minor modifications.
- E. Adds a final WHEREAS clause to provide that the Council finds good cause has been demonstrated for the extension.
- F. Amends the BE IT RESOLVED clause to provide that the deadline to obtain a building permit under Resolution 16-52, CD1, FD1 is extended to April 20, 2020. Deletes all extension conditions.
- G. Adds a BE IT FURTHER RESOLVED clause to provide that any further extensions of the April 20, 2020 deadline require approval of the Council pursuant to the procedures set forth in Resolution 16-52, CD1, FD1.

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- H. Adds a second BE IT FURTHER RESOLVED clause to provide that all other provisions of Resolution 16-52, CD1, FD1 are ratified and confirmed, and remain in full force and effect.
- I. Makes miscellaneous technical and nonsubstantive amendments.

Your Committee on Zoning and Housing is in accord with the intent and purpose of Resolution 19-67, as amended herein, and recommends its adoption in the form attached hereto as Resolution 19-67, CD1. (Ayes: Pine, Anderson, Fukunaga, Menor, Tsuneyoshi – 5; Ayes with reservations: None; Noes: None; Excused: Formby – 1.)

Respectfully submitted,


Committee Chair

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON APR 17 2019

COMMITTEE REPORT NO. 100



RESOLUTION

APPROVING AN EXTENSION OF TIME TO OBTAIN A BUILDING PERMIT FOR THE PROPOSED PLANNED DEVELOPMENT-RESORT PROJECT CONCEPTUALLY APPROVED BY RESOLUTION 16-52, CD1, FD1.

WHEREAS, the City Council ("Council"), by adoption of Resolution 16-52, CD1, FD1 (the "Resolution"), on April 20, 2016, approved a conceptual plan proposed by MK Development Consulting, LLC for a Planned Development-Resort ("PD-R") project to redevelop 1.05 acres in Waikiki (identified as Tax Map Keys 2-6-023: 029, 037, and 076) with a mixed use condo-hotel and commercial project, by demolishing the existing King's Village, Prince Edward Apartments, and Hale Waikiki structures, and developing a 32-story condo-hotel with approximately 213 units, seven-story podium with back-of-house facilities, 250 parking stalls, private park, ground floor commercial spaces, lobby, reception area, restaurant, lobby lounge and bar, multi-event spaces, executive offices, meeting facilities, outdoor dining terrace, rooftop recreational facilities, adjacent pocket park, and other site appurtenances (the "Project") (File No. 2015/SDD-37); and

WHEREAS, Condition 13 of the Resolution required the Project to receive a building permit for the proposed development within two years of the date of the Resolution, or April 20, 2018. Condition 13 further provided that the Director of Planning and Permitting ("DPP Director") may extend this period if the Applicant demonstrates good cause, but the period shall not be extended beyond one year from the initial deadline without the approval of the Council, which may grant or deny the approval in its complete discretion; and

WHEREAS, on January 30, 2018, the DPP Director approved an extension of time to obtain the Project's building permit, resulting in a new deadline of April 20, 2019, with the justification that the Applicant was continuing to value engineer the Project; and

WHEREAS, on September 25, 2018, MK Development Consulting, LLC (dba BSC KVSC, LLC) sold the Project development rights to Hilton Resorts Corporation (the "Applicant"), which plans to convert the Project to a timeshare hotel under the operations and management of the Hilton Grand Vacations; and

WHEREAS, the Project's exterior design will remain the same, but the interior design will be modified to accommodate a timeshare hotel (modifications include elimination of the 7th floor spa and 8th floor restaurant, and a reduction in the number of units from 213 to 191 due to increased floor area per unit); the Applicant plans to obtain the DPP Director's approval of these minor modifications; and



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HONOLULU, HAWAII

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WHEREAS, on October 18, 2018, the Applicant submitted a foundation permit application for the Project, and continues to work toward completing the permit process; and

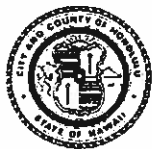
WHEREAS, on February 25, 2019, as a precautionary measure, the Applicant requested a 12-month extension of the April 20, 2019 deadline to obtain the Project's foundation permit; and

WHEREAS, the Council finds good cause has been demonstrated for the extension; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the deadline to obtain a building permit under Condition 13 of Resolution 16-52, CD1, FD1, is hereby extended to April 20, 2020; and

BE IT FURTHER RESOLVED that any further extensions of this deadline require the approval of the Council pursuant to the procedures set forth in Condition 13 of Resolution 16-52, CD1, FD1; and

BE IT FURTHER RESOLVED that all other provisions of Resolution 16-52, CD1, FD1, are ratified and confirmed, and remain in full force and effect; and



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 19-67, CD1

RESOLUTION

BE IT FINALLY RESOLVED that the Clerk transmit copies of this resolution to Stephen Jacobson, Hilton Resort Corporation, 69-550 Waikoloa Beach Drive, Waikoloa, Hawaii, 96738; Keith Kurahashi, R. M. Towill Corporation, 2024 North King Street, Suite 200, Honolulu, Hawaii, 96819; and Kathy K. Sokugawa, Acting Director of Planning and Permitting, 650 South King Street, Seventh Floor, Honolulu, Hawaii, 96813.

INTRODUCED BY:

Ann Kobayashi (br)

DATE OF INTRODUCTION:

March 18, 2019
Honolulu, Hawaii

Councilmembers